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Report on School District No. 1 Special Tax Levy for Maintenance and Operation Funds -- Proposal

City Club of Portland (Portland, Or.)

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**REPORT
ON
SCHOOL DISTRICT NO. 1 SPECIAL TAX LEVY
For Maintenance and Operation Funds—
Proposal:**

For the reason that estimated expenditures which will be required to care for and maintain the public property of the District and to carry on and operate its public-school system exceed the estimated revenue which will be available to the District from all sources for the 1967-1968 fiscal year by the amount of \$9,820,000 shall School District No. 1, Multnomah County, Oregon, make a special tax levy outside the limitation imposed by Article XI, Section 11, Oregon Constitution, in the fiscal year beginning July 1, 1967, in the amount of \$9,820,000?

.....Yes, I vote in favor of the proposed levy

.....No, I vote against the proposed levy

To the Board of Governors,
The City Club of Portland:

I. THE ASSIGNMENT

Your Committee was originally established to study budgetary procedures of School District No. 1. During the course of the Committee's study, the Board of Governors asked the Committee to investigate and report to the membership on the Special Tax Levy proposal being submitted to the voters of School District No. 1, Multnomah County, at a special election on Friday, May 19, 1967.

This special levy would authorize School District No. 1 to levy property taxes up to \$9,820,000 beyond existing revenues (including the Constitutional maximum annual property tax increase of six per cent) for maintenance and operation expenses as reflected by the proposed budgeted expenditures of School District No. 1 for fiscal year 1967-1968. A current \$2,000,000 annual levy authorized by the voters in 1965 expires at the end of this fiscal year, on June 30, 1967.

II. RESEARCH AND BIBLIOGRAPHY

The Committee reviewed and studied a great volume of textual material published by School District No. 1, Oregon Education Association, National Education Association and the State Department of Education, as well as ten previous City Club studies on special tax levies for operational purposes, and proposals to increase the School District's tax base.

The Committee, or its members, interviewed the following:

Robert Crozier, Executive Secretary, Portland Federation of Teachers;

Charles Kuzminski, Executive Secretary, Portland Association of Teachers
(an affiliate of the Oregon Education Association and the National Education Association);

A. F. Gildemeister, Oregon United Taxpayers, Inc.;

Willis L. Thompson, Executive Secretary, Multnomah County Tax Supervising and Conservation Commission;

Members of the Board of Directors, School District No. 1, including: John C. Beatty, Jr., Chairman, R. D. deWeese and Theodore A. Yaw.

Members of the administrative staff of School District No. 1, including: Dr. Melvin Barnes, Superintendent and School Clerk; Assistant Superintendent Amo deBernardis, President, Portland Community College; Assistant Superintendent William A. Oliver, Budget Officer; Assistant Superintendent Harold A. Kleiner, Model Schools Program; Assistant Superintendent Lawrence Winter, in charge of Secondary Education; Assistant Superintendent Norman K. Hamilton, in charge of Instruction; Victor Doherty, Director of Administrative Research; Clifford Williams, Director of Curriculum and Special Programs, and other staff members.

Members of the Committee inspected the elementary School physical plants of Fernwood, James John, Richmond and Bridlemile accompanied by James Rosan, Director of Physical Plants and the principals of three of the schools involved.

At least one member of the Committee has attended each regularly scheduled meeting of the School Board, beginning in January, 1967.

III. BACKGROUND

By law, school districts are required to have balanced budgets. The principal source of revenue for School District No. 1 is the property tax. The amount that can be derived therefrom, without a vote of the people, is limited by the Oregon Constitution to a six per cent increase over the previous year's levy. The following table shows that School District No. 1 has found it necessary, since 1951, to request and obtain from the voters authority to collect additional taxes above the amount available within the six per cent limitation, in order to balance its operating budget.

Fiscal Year	Method	Amount
1951-52	Special Levy	1,970,000
1952-53	Special Levy	2,247,000
1953-54	Special Levy	2,636,000
1954-55	Tax Base Increase	5,285,168
1956-57	Tax Base Increase	3,454,015
1957-58	-----	
1958-59	-----	
1959-60	-----	
1960-61 ⁽¹⁾	-----	
1961-62	Special Levy	2,500,000
1962-63	Special Levy	2,500,000
1963-64	Special Levy	2,500,000 ⁽²⁾
1964-65	Special Levy	2,500,000
1965-66	Special Levy	2,000,000
1966-67	Special Levy	2,000,000
Proposed 1967-68	Special Levy	9,820,000

(1) An attempt to increase the tax base by \$3,000,000 in 1960 was defeated at the polls.

(2) The actual levy was reduced to \$500,000 when additional state moneys were made available.

Note: This list does not include capital outlay levy requests. For over forty years, the School District has not resorted to bonded indebtedness.

IV. THE OPERATING BUDGET

A. SOURCE OF REVENUE FOR SCHOOL DISTRICT NO. 1 OPERATIONS:

The following chart indicates the sources through which the District derived revenues for the operating budget of the general fund during recent years.

PRESENT SOURCE OF REVENUES FOR SCHOOL DISTRICT OPERATION

	1964-65	1965-66	Budgeted 1966-67	Estimated 1967-68
Property Taxes (including Multnomah County Intermediate Education District Funds)	\$27,157,731	\$ 28,830,759	\$30,275,000	\$32,060,000
Special Property Tax Levy	2,295,134	1,772,666	1,840,000	
Tuitions	111,191	74,451	111,500	89,000
Other revenue from local sources—				
sports, rentals, etc.	457,008	600,823	532,000	572,000
State sources	9,306,006	10,293,800	10,675,000	10,780,000
Federal sources		546,342		400,000
Misc. sources	56,243	166,468	50,000	53,500
Budget Carryover	2,619,926	1,917,400	2,000,000	1,250,000
TOTALS	\$42,003,239	\$ 44,202,709	\$45,483,500	\$45,204,500⁽¹⁾

(1) This total does not include budget for Portland Community College nor the amount being asked for in the special tax levy measure.

In addition, the Portland Community College estimated receipts of \$3,171,809 from sources outside School District No. 1 funds to pay for its 1966-67 budgeted expenditures of \$3,491,237. The College estimates it will now procure \$4,486,696 from sources outside School District No. 1 funds to pay for its proposed 1967-68 budgeted expenditures of \$4,956,027. As a result, only \$469,331 of the above \$45,204,500 expected total revenues for 1967-68 will be needed to fund the Portland Community College program. This means less than 10 per cent of the funds needed for operation of the Portland Community College are appropriated from the District's general operating fund.

In 1966-67, City of Portland taxpayers in School District No. 1 paid approximately 12.9 mills for the operation of District schools, out of a total 28.7 mills paid in total property taxes based upon true cash value assessments.

The problem of School District No. 1 and its central city property taxpayers with regard to local tax resources to support the school system can best be clarified by comparing a School District No. 1 property taxpayer with a property taxpayer in an urban school district in the fringe area.

Property taxpayers in Portland and Parkrose pay approximately the same total property tax rate in mills on true cash valuation of the property. The property taxpayer in Portland pays a millage rate of 28.7 mills and the property taxpayer in Parkrose pays a millage rate of 28.6 mills. This means that the owner of a \$10,000 home in Portland would pay \$287 a year in property taxes while the owner of a \$10,000 home in Parkrose would pay \$286 a year in property taxes. But here the similarity ends.

Out of the \$286 in property taxes paid by the Parkrose home owner, \$218 (or 76.2 per cent of his property tax dollar) goes to the Parkrose school district and only \$68 (or 23.8 per cent) must be used to maintain other public services. On the other hand, out of the \$287 in property taxes paid by the Portland homeowner \$129 (or 44.9 per cent) goes to School District No. 1, and \$158 (or 55.1 per cent) must be used for the maintenance of central city public services.

When the budget resources of School District No. 1 are analyzed, it is discovered that at least 65 per cent of the School District's resources are from local sources (primarily the property tax). Approximately 10 per cent of the budget resources are from Federal and private funds, and the State of Oregon provides

approximately 25 per cent. When those state funds which support special education programs and the operation of Portland Community College are excluded, it is discovered that the State of Oregon provides only 20 per cent of the funds necessary to operate the basic education program for children in Grades 1-12.⁽¹⁾ This state funds resource of 20 per cent of the funds necessary for the operation of the regular educational program for children in grades 1-12 in School District No. 1 compares to a statewide basic school support *average* of 30 per cent of the budgetary requirements for the same program in all school districts of the state. Stated in another way, *School District No. 1 provides the education for 17.25 per cent of the children in this state who are in grades 1-12; but, School District No. 1 receives from the State of Oregon only 12.5 per cent of the state school support funds allocated for this program.*

Portland School District thus operates at a double financial disadvantage, because in addition to competing with other city programs for the property tax dollar, it receives proportionately less than other school districts from state basic school support funds, as indicated by the following comparative financial data of unified school districts in the Portland Metropolitan Area.

	Basic School Support Fund Allocations (Per Average Daily Membership) ⁽¹⁾	Property Tax Rate—Mills Based on True Cash Value Fiscal Year 1967 ⁽²⁾	
		Schools	Total
David Douglas	\$240.00	20.1	26.9
Parkrose	188.53	21.8	28.6
Oregon City	172.79	20.7	30.8
Lake Oswego	163.82	21.7	29.5
Beaverton	157.62	19.5	24.5
West Linn	134.91	21.0	28.8
Reynolds	133.51	21.8	28.2 ⁽³⁾
Portland	128.20	12.9	28.7

(1) Allocations are current estimates by State Department of Education: ADM as of December 31, 1966.

(2) Rate shown is tax rate in predominant code area within district. All rates are prior to 5.3 mill reduction on assessed value (1.3 mills reduction on True Cash Value) resulting from state property tax relief appropriation.

(3) Total rate is 33.5 mills within corporate limits of Troutdale.

A State Department of Education Finance Committee, after thorough study of the matter, prepared a new plan for the distribution of state basic school support funds. The plan is designed to achieve more equitable distribution of state funds by incorporating a factor that provides additional funds for large city school districts to meet the special problems which such districts face. This plan is now principally embodied in Senate Bill 325 introduced at the Oregon Legislature at the request of the State Department of Education.

B. OPERATING EXPENDITURES

1. Introductory

The proposed 1967-68 operating budget of \$58,726,964 reflects proposed operating expenditures of \$52,512,937 for the educational program for kindergarten through high school grades; \$4,956,027 for the operation of Portland Community College and the District's adult education programs which are supervised by Portland Community College; and a special request of \$1,258,000 for improvements of the Model Schools Program. While the proposed budget for all programs of the School District represents a 20.7 per cent increase over the 1966-1967 budget of \$48,655,000, your Committee feels that critical analysis should be focused on the operating budget for the School District General Fund *excluding the budget for Portland Community College and District programs under P.C.C. control.* With this view in mind, the resulting budget of \$53,770,937 consists of expenditures in the various categories as follows:

(1) There is no state support provided for kindergarten or other pre-school training programs despite the recognized necessity for such programs for the educational and social adjustment of disadvantaged children.

	1966-1967		1967-1968	
	Amount	Percent	Amount	Percent
Instruction	\$31,956,868	70.76	\$36,456,649 ⁽¹⁾	69.42
Administration	1,244,916	2.76	1,353,822	2.58
Operation of Plant	4,038,313	8.94	4,192,696	7.98
Fixed Charges	3,211,210	7.11	3,720,314	7.08
Maintenance of Plant & Equipment, Sports, Rentals, etc.	2,580,742	5.71	3,196,136	6.09
Capital Outlay	522,236	1.16	1,391,300	2.65
Misc.	1,609,478	3.56	2,202,020	4.20
Total	\$45,163,763	100.00	\$52,512,937	100.00
Additional Expenditures for Model Schools Program ⁽¹⁾	None		1,258,000	
	\$45,163,763		\$53,770,937	

(1) An additional \$242,000 is included in the above listed instruction budget in the regular elementary teachers account to pay the premium salary payable to teachers in the Model Schools.

Since without the proposed special levy, the District anticipates revenues of \$45,204,500 during 1967-68 out of which \$469,331 will be needed for operation of the Portland Community College, the District finds itself with anticipated revenues of \$44,735,169 to fund a program of education in kindergartens through high school costing \$53,770,937. The Portland School Board has requested the voters of the District to meet this deficit of \$9,035,768 through additional property taxes. (Because of anticipated delinquencies a levy of \$9,820,000 is needed to take care of the budget deficit.)

2. Classroom Loads

Personnel forecasts indicate hiring of 33 additional elementary teachers for the general school program. This does not indicate any serious attempt to reduce elementary class loads from the present average classroom load of 28 pupils, which compares with the statewide average of 25 pupils. The additional teachers will be utilized to alleviate the crowding in 598 classrooms having 30 or more pupils and to supplement teaching activity in depressed areas outside Core Area II program of the Model Schools. The Model Schools Program and its budget provides for additional teachers for the nine Model Schools in Area II in an effort to approach the recommended 20-pupil classroom load.

3. Special Funded Programs in the Portland School District and their Relationship to the Proposed Budget

An effective school district must constantly conduct research, plan and implement innovations to increase the efficiency of its operations and adapt to the demands stemming from the needs of a changing population and social framework. This progressive cycle is necessary whether the school district is dealing with normal children or with special student problems. In recent years increasing amounts of federal, state, and private foundation funds have been provided as additional special resources to school districts to:

1. Perform preliminary planning and initiate pilot projects leading to improved instruction without drawing on local tax money.
2. Develop new curricular materials and train teachers in new teaching programs without adding to the local costs of instruction.
3. Extend instructional practices and establish new programs for the augmentation of on-going local efforts to assist children with special needs.

Usually these special-funds projects require some investment by the participating school district. This investment, which must be taken into account in the district's budgeting, may be in the form of:

1. Local staff research and planning to establish the need for and the requirements of the proposed project.

2. Actual initiation of a project before special funds will be allocated to supplement the project.

3. A percentage of the project's total cost in the form of "matching money" or the "equivalent service in kind" by the district and volunteer resources from within the district.

Whenever possible, Portland School District No. 1 has attempted to obtain special federal, state, or private foundation funds which become available for research, planning, and the implementation of new or improved programs to the advantage of School District operations and the District's taxpayers. During the 1966-67 school year, the School District will receive over \$4,000,000 in special funds.

These special-funds projects effect desirable changes and improvements. If these special funds could not be obtained, School District No. 1 would find it necessary to finance these projects from its own resources in order to keep pace with improved methods of teaching and to offset developing social disorder within the District.

The most publicized of special programs in the School District is the Model Schools Program which was developed to implement many of the recommendations of the 1964 *Report of the Committee on Race and Education*.

Portland School District initiated the Model Schools Program with Elementary and Secondary Education Act Title I funds ⁽²⁾ which supplied an additional \$187 per child above the normal School District expenditure for the 6,000 students affected by the program. During the school year 1966-67 the School District will receive \$1,621,000 in special augmentation funds from this source, and it will probably receive an equal amount, or more, during 1967-68. The School District has included an additional \$1,500,000 of its own funds in the proposed budget to further implement the recommendations of the *Race and Education Report*. Over 40 per cent of this amount is budgeted for capital outlay. When Congress and the Department of Health, Education and Welfare have determined the exact amount of funds which will be allocated to Portland School District No. 1 for fiscal year 1968, the School District will prepare a special budget setting forth the exact amount of funds to be received and line item expenditures for each of the sub-projects of the Model Schools Program which will augment the currently proposed budget.

If the Personalized Education Program (P.E.P.) for School District No. 1 is approved by the Department of Health, Education, and Welfare and the Office of Economic Opportunity, such a program will be implemented during the 1967-1968 school year. It will be developed as a special budget and will utilize a possible \$1,000,000 per year from special federal funds to retrieve *local* educationally maladjusted youth by supplying special employment and trainee-oriented vocational education projects in the District.

The School District administration states that at least 325 employees, utilized to assist children with special needs, are paid from special resource funds.

The proposed budget contains a specific item of \$75,000 to supply the "local matching money" frequently required by Congress to establish both local interest and effort in special local school district projects that will utilize resources of such federal acts as:

1. Adult Education Act
2. Vocational Education Act
3. Economic Opportunity Act
4. National Defense Education Act
5. Vocational Rehabilitation Act
6. Elementary and Secondary Education Act

(2) If Congress had not passed the Elementary and Secondary Education Act of 1965 which, under Title I provides funds for the improvement of instruction for economically and educationally disadvantaged children, the entire Model Schools Program would have had to be funded by School District No. 1 or else be eliminated or curtailed.

This \$75,000 budget item acts, in a sense, as "seed" money to obtain much greater special-resource funds for our District. For example, many high school students have difficulty staying in school because they lack money for proper clothing and other personal (or family) needs, and they do not have the experience to obtain supplemental employment which would permit them to continue their education. Under Title I(a) of the Economic Opportunity Act of 1964 School District No. 1 has been able to participate in the "in school" Neighborhood Youth Corps programs, which provides part-time jobs in the school system or in other public or charitable agencies for these potential "drop-outs." Through this program the students receive additional vocational education counseling, practical work experience and hourly compensation of \$1.25 per hour for a maximum of 20 (out-of-school) hours each week.

In order to obtain the special funds for this program the School District must supply 10 per cent of the project's cost, either in the form of "matching money" or "service in kind."

Therefore this School District's budgetary allocation of \$75,000 for matching funds will probably mean a potential receipt of at least \$675,000 from special federal resources.

4. Maintenance of Physical Facilities.

There are 116 classroom buildings utilized by School District No. 1 at the elementary and high school levels. Sixty-five of these buildings were built after 1940. Fifty-one of the buildings were built prior to 1940. Of the 51 built prior to 1940, two buildings were built before 1910, 12 buildings from 1911 to 1918, 28 buildings from 1921 to 1929, and 9 buildings from 1930 to 1939.

The percentage of the District's budget allocated for maintenance since 1955-56 has varied from a low of 4.2 per cent to a high of 6.1 per cent. The amount budgeted for maintenance has increased from \$1,016,100 in 1955-56 to \$3,196,136 in the current 1967-68 budget. Your Committee believes the problem of school maintenance to be of sufficient importance to warrant considerable discussion. For the last ten years, part of the funds allotted to maintenance have been used for other purposes, and maintenance has operated on an emergency basis. The present budget plans on a similar procedure. Because of this diversion of maintenance funds, some of the older schools are in very poor condition, and to place them back in decent condition would require almost ten years' maintenance costs. For example, in your Committee's inspection of school physical plants, the older buildings observed (James John, Fernwood and Richmond) were probably adequate for their era of construction, but do not meet modern standards of construction or convenience and are in urgent need of renovation. Extensive maintenance is needed in these older buildings just to keep them operating. These older buildings would cost many times their original cost to replace. Your Committee believes that unless this situation is changed for the better, Portland will be faced with the problem of replacing some of these older schools a great deal sooner than expected. Your Committee also believes that this problem should add some weight to the argument for a more reasonable distribution of state basic school funds.

By contrast, modern school buildings in the District facilitate effective teaching and require little maintenance and custodial service.

Recently the District began a comprehensive, building-by-building study to appraise the total physical needs of the School District.

5. Salary Increases

Increases in employee salaries and fringe benefits account for the greatest proportion of the total budget increase. The breakdown is as follows:

EMPLOYEE-RELATED BUDGET INCREASES—1967-1968

Salaries (all employees)	\$3,500,000
Retirement	334,000
Sabbatical Leaves	30,000
Social Security	123,920
Medical Plan	141,500
Accident Insurance	27,000
Emergency and Sick Leave	124,500
Additional teachers and other personnel	375,000
	<hr/>
	\$4,655,920

Of the \$3,500,000 needed for salary increases, \$700,000 of that amount is for normal incremental raises. The remaining \$2,800,000 is needed for across-the-board salary increases approved by the School Board.

a. Teacher Salaries

Teachers, as the largest group, will be the primary beneficiaries of the salary increases, accounting for approximately 80 per cent thereof. Teachers will receive basic salary increases ranging from \$350 to \$725 per year, depending on their experience and educational levels. On a percentage basis, these increases range from a low of 5.8 per cent of the current salary for a teacher with two years of experience and a Master's Degree to a high of 10 per cent for a teacher with no experience and a Bachelor's Degree. The average increase is approximately 7 per cent. (See Appendix A)

The School Board has also approved a \$10,300 salary for teachers with 17 years of experience and 15 approved credit hours beyond the M.A. degree, beginning in 1967-68; a \$10,600 salary for teachers with 30 approved credit hours beyond the M.A. degree and 19 years of experience, beginning in 1969-70; and \$11,000 for teachers with 45 approved credit hours beyond the M.A. degree and 21 years experience, beginning in 1971-72.

The proposed salary increases for administrative and supervisory personnel, including principals, coordinators, and supervisors average about \$250 and range from \$160 to \$345 per year.

b. Teacher Salary Dispute

The proposed average 7 per cent teacher salary increase was a compromise recommended by a three-man Impasse Committee composed of one School Board representative, one teacher representative and a third person selected by the other two. This committee was established after a teachers' Conference Committee and the School Board failed to reach an agreement following lengthy negotiations. It is not within the scope of this report to review the teacher-School Board dispute or pass judgment on the relative merits of the positions of the two parties. The School Board has accepted the Impasse Committee recommendations which were unanimous.

c. The Competition For Teachers

School District No. 1 employed 3603 teachers at the beginning of the 1966-67 school year to teach an Average Daily Membership (ADM—October, 1966) of 75,081 students. Of these teachers, 548, or 15 per cent, were in their first year of teaching. Over the past three years the School District has had to recruit, from various sources, 13 to 15 per cent of its teaching staff each year. According to administrative personnel, this does not indicate an unusually large turnover for school districts with comparable enrollments. The above percentages take into account vacancies created by new positions and by teachers leaving the system for all reasons.

New teachers for the School District are recruited primarily from colleges in Oregon and Washington, but substantial numbers must be recruited from other sections of the country as well. For the 1966-67 school year, Oregon colleges supplied only 54 per cent of the District's new teachers. Washington colleges

supplied another 11 per cent, and California colleges 4 per cent. Two per cent of new teachers had no college degree. The remaining 29 per cent of new teachers required to fill Portland vacancies, a total of 160 teachers, were recruited from colleges throughout the United States.⁽³⁾ Thus, in a very real sense, Portland is in competition with districts throughout the country for new teachers.

Three District recruiters conducted 2602 personal interviews to fill the teacher vacancies for the 1966-67 school year. These recruiters travel throughout the country, to cities such as Chicago, Milwaukee, and Kansas City, to interview prospective teachers. However, their efforts are concentrated, of necessity, in areas having lower teacher salary schedules than Portland's.

In addition to the competition for new teachers, there is also competition of a sort to retain experienced teachers in the Portland School District. This latter competition exists chiefly with neighboring, often wealthier suburban districts. These districts offer other advantages to the teacher aside from salaries. According to W. A. Oliver, an Assistant Superintendent of School District No. 1, "Portland schools can only achieve excellence by employing and holding excellent teachers. The large urban districts with concentrations of disadvantaged children, old buildings, lack of supplies and equipment, and higher class loads, cannot compete with the suburbs for teachers unless salaries are at least as good as those of the surrounding districts and efforts made to modernize the older buildings, to supply teachers with adequate materials and to improve the class loads in the schools."

d. Teacher Salary Comparisons

(1) Nationwide

The foregoing competitive factors indicate that teacher salaries both in large urban areas throughout the country and in other Oregon districts, especially in the suburban areas adjacent to Portland, have a bearing on Portland's ability to attract and keep quality teachers. In 1966-67 the average teacher's salary in Portland was \$7,568, above the Oregon average of \$7,000, and second only to the average of \$8,450, for California among Western states.

According to a study published by the Portland Association of Teachers (PAT) in the 1966-67 school year, Portland ranked 28th among 38 Northwest and Western cities with which Portland is commonly compared in minimum and maximum salaries paid Bachelor's Degree teachers (See Appendix B). In the same study, Portland ranked 34th in minimum Master's Degree salaries, and 31st in maximum Master's Degree salaries (See Appendix C). In maximum obtainable salaries, Portland ranked 37th among the 38 cities (See Appendix D).

(2) Oregon

Portland ranked at or near the top in 1966-67 for salaries paid teachers with a Bachelor's Degree at all experience levels, when compared with other districts in the Portland metropolitan area (See Appendix F).

However, at the Master's Degree (M.A.) level, Portland teachers fared worse than most of their suburban brethren in 1966-67 at all but the maximum experience level. Even at the maximum experience level most suburban teachers could outdo Portland teachers by accumulating 45 approved credit hours beyond their Master's Degrees, for which Portland gives no added remuneration (See Appendix F).

According to PAT data, there were 17 school districts in Oregon having maximum teacher salaries higher than those of Portland in 1966-67. Eight of these districts were in the Portland metropolitan area, including Beaverton, David Douglas, Lake Oswego, Oregon City, Parkrose, West Linn, Milwaukie, and Hillsboro High School district.

In the 1967-68 school year, Portland will fall far behind most of its neighboring school districts in teacher salaries, if Portland retains its present 1966-67 salary schedule (See Appendices G and H). Under such circumstances it is difficult to see how Portland could hope to attract or keep quality teachers.

⁽³⁾ According to School District No. 1 sources, 70 per cent of Portland's new teachers indicated an Oregon residence, and over 80 per cent, a Northwest residence.

Even Portland's *proposed* 1967-68 salary schedule fails to keep pace with the salary schedules of neighboring districts at most levels of teaching experience, and particularly for teachers with a Master's Degree (See Appendices G and H).

Although Portland's proposed starting salary for the beginning teacher with a Bachelor's Degree is attractive and near the top when compared with proposed first year salaries of surrounding districts, the beginning teacher in Portland will not fare so well as his neighboring counterparts in most districts as he gains teaching experience. He must, in fact, accumulate 14 years of teaching experience before he will again command a salary that ranks near the top of salaries paid by rival districts. However, where the Portland B.A. teacher ranks behind teachers in other districts, the annual salary differential, in most instances, is slight.

The Portland M.A. teacher will be in a less competitive position in comparison with M.A. teachers in neighboring districts. The proposed Portland Master's Degree teacher's salary ranks at or near the bottom when compared with the salaries of surrounding districts until the Portland teacher gains 15 years of teaching experience. Moreover, the salary differential, in most instances, is substantial.

The proposed Portland schedule is obviously designed to recruit young inexperienced teachers and to reward older teachers who have been in the Portland system for many years. It offers little to encourage the young career teacher with a family to support, and with a few years of experience, to remain in the Portland system. The weakness of the proposed Portland salary schedule at the intermediate experience levels is particularly significant when it is recognized that approximately 25 per cent of Portland's elementary school teachers and 50 per cent of its high school teachers are men. It is during the first ten years of experience that many of these male teachers will be faced with some of their greatest family financial responsibilities.

V. CONCLUSIONS

The Portland School District presently offers an effective program of basic education for its children, but it faces the unique and serious problems that have plagued central-city school systems in metropolitan areas throughout the nation. These problems principally relate to the education of the disadvantaged child. It must be recognized that an urban center such as Portland attracts the families of disadvantaged children. Some of those children are handicapped by substandard, socio-economic backgrounds; others have physical, mental, or emotional handicaps. Most of these disadvantages can best be cured or alleviated by the medical and educational resources found in urban centers.

The Portland School District is doing its best to implement the recommendations of the 1964 *Race and Education Report*. It is also developing projects designed to combat the unique problems faced by central urban school districts. Your Committee concludes that the rather minimal amount proposed to be expended from District resources for these special projects is a good and necessary investment. Not only do these projects serve a vital local need, but they also generate substantial federal funds which free other District funds for application in basic school operations.

In order to conserve requests for additional operating funds, the District has, in recent years, sacrificed maintenance allocations. That policy is unfortunately continued in the proposed budget. Your Committee feels that more monies should be provided for maintenance to preserve the aging school plant, and that present allocations are unrealistically low. The District must soon face the fact that its rapidly deteriorating physical plant cannot be maintained only on an emergency basis. It is the Committee's hope that the District's present study will generate a long-needed realistic capital improvement and maintenance program.

Qualified teachers are the backbone of quality education. From such teachers our children develop attitudes, incentives and abilities which prepare them to meet the challenges of post-high school life. Since Portland must remain in the mainstream of competition for competent teachers, and since the District cannot offer competitive conditions in the way of reduced class loads and an attractive physical plant, Portland must at least make a determined effort to maintain attractive

salaries. Ideally, Portland's salary structure should be above that of surrounding districts to compensate for the more difficult conditions facing the Portland teacher. Even under the proposed structure, Portland's salaries are not top ranking, particularly at the more experienced levels. Portland's main attraction to the young career teacher appears to be the challenge of the obstacles he faces. Your Committee does not feel that a central city public school system can continue to attract teachers on that principle.

Your Committee concludes that the proposed salary increases are reasonable, not extravagant, and are necessary for procurement and retention of qualified teachers.

An operation presently utilizing almost \$50,000,000 and employing approximately 5,000 employees is vulnerable to waste and extravagance. Your Committee does not find any significant waste or extravagance in the District's programs. It feels that School District No. 1 continually strives to increase its efficiency, and derives maximum use from all available funds.

Proposed 1967-1968 expenditures for basic school operations are designed only to *maintain, not improve*, the District's present general school program. The District must have the funds available to meet these expenditures. Passage of the proposed ballot measure is mandatory, since there is no assurance that other sources will provide the necessary funds.⁽⁴⁾

Your Committee does not approve of continual fundings of sums needed to maintain our schools by additional property tax levies, when District residents pay far more to the state than the District receives from the state. This levy must only be considered as a temporary stop-gap measure to maintain our local education system pending receipt of further state financial support. Your Committee feels strongly that the Oregon Legislature must revise the basic school support formula to effectuate more equitable distribution of state funds and to supplement revenues of the District to combat the special problems this District faces.

VI. RECOMMENDATION

Your Committee therefore unanimously recommends that the City Club of Portland go on record as approving the passage of School District No. 1's Special Tax Levy and urges a vote of "Yes" thereon.

Respectfully submitted,

Joseph M. Almand, Jr.

Myer Avedovech

Keith M. Barker

Christopher G. Daflucas

George S. Gearhart

William H. Holm

Edmund A. Jordan

James S. Leigh

James A. Larpenteur, Jr., *Chairman*

Approved by the Research Board May 5, 1967 and submitted to the Board of Governors.

Received by the Board of Governors May 8, 1967, and ordered printed and submitted to the membership for discussion and action.

⁽⁴⁾ The School Board is firmly committed to reduce the special levy if funds from other sources become available.

APPENDIX A

COMPARISON OF CURRENT AND PROPOSED 1967-1968 SALARIES
OF SCHOOL DISTRICT NO. 1 TEACHERS

Years of Teaching Experience	BA Degree			MA Degree		
	66-67	67-68	\$ Increase	66-67	67-68	\$ Increase
0	5350	5900	550	5550	6100	550
1	5550	6050	500	5750	6200	450
2	5750	6200	450	5950	6300	350
3	6000	6450	450	6200	6600	400
4	6250	6700	450	6450	6900	450
5	6500	7000	500	6700	7200	500
6	6750	7250	500	7000	7500	500
7	7050	7550	500	7250	7750	500
8	7300	7800	500	7500	8000	500
9	7550	8050	500	7750	8300	550
10	7800	8350	550	8000	8600	600
11	8000	8600	600	8250	8850	600
12	8200	8800	600	8500	9100	600
13	8400	9000	600	8750	9400	650
14	8600	9200	600	9000	9650	650
15				9275	10,000	725

APPENDIX B

1966-67 BA SALARIES

Minimum		Maximum	Steps
San Francisco	\$6365	Newark	\$10700 12
Newark	6300	San Francisco	10395 14
Long Beach	6010	New York	9950 14
San Jose	6000	Rochester	9690 13
San Diego	5900	Long Beach	9640 12
Oakland	5802	Detroit	9500 15
Detroit	5800	Washington, D.C.	9350
Los Angeles	5800	Baltimore	9300 15
Jersey City	5700	Boston	9300 11
Rochester	5700	Jersey City	9200 13
Dayton	5604	Minneapolis	9200 12
Akron	5600	St. Paul	9200 12
Pittsburgh	5600	Cincinnati	9075 17
Milwaukee	5550	Buffalo	9075 14
Boston	5500	Los Angeles	9010 12
Buffalo	5500	Chicago	9000 16
Chicago	5500	Columbus	9000 19
Philadelphia	5500	Dayton	8964 15
Indianapolis	5450	Oakland	8922 11
Baltimore	5400	Indianapolis	8900 15
Cincinnati	5400	Philadelphia	8900 11
Denver	5400	Pittsburgh	8900 11
New York	5400	Akron	8850
St. Louis	5400	Milwaukee	8810 13
Minneapolis	5400	Denver	8725 13
Syracuse	5400	Cleveland	8717 18
Kansas City	5350	St. Louis	8640 13
PORTLAND (28th)	5350	PORTLAND (28th)	8600 14
Washington	5350	Omaha	8533 14
Seattle	5330	San Diego	8525 12
Cleveland	5300	Syracuse	8500
Des Moines	5300	Des Moines	8480 15
Omaha	5300	San Jose	8375 8
St. Paul	5300	Providence	8175 11
Providence	5220	Kansas City	8014 12
Columbus	5200	Toledo	8000 14
Wichita	5100	Wichita	6765 10
Toledo	5000	Seattle	6380 5 a
75%ile	5700	75%ile	9250
Median	5425	Median	8911
25%ile	5340	25%ile	8529

a—5th year required

APPENDIX C

1966-67 MA SALARIES

Minimum		Maximum		Steps*
Los Angeles	\$6900	San Francisco	\$11245	13
San Francisco	6865 b	Newark	11100	12
San Diego	6844	Long Beach	11080	14
Long Beach	6790	Rochester	10545	14
Newark	6700 b	New York	10450	14
San Jose	6555	San Jose	10430	12
Oakland	6369 b	Minneapolis	10400	13
Detroit	6300	Indianapolis	10300	16
Rochester	6215 b	San Diego	10027	12
Dayton	6008	Detroit	10000	11
Boston	6000	Oakland	9999	12
Buffalo	6000	Los Angeles	9970	12
Jersey City	6000	St. Paul	9900	12
Syracuse	5960	Washington, D.C. ..	9850 L	13
Seattle	5905	Boston	9800	11
Akron	5900	Chicago	9750	15
Baltimore	5900	Denver	9700	13
Chicago	5900	Des Moines	9670	17
Cincinnati	5900	Dayton	9592	15
Indianapolis	5900	Cincinnati	9575	17
Minneapolis	5900	Buffalo	9575	14
New York	5900	Baltimore	9500	18
Pittsburgh	5900	Columbus	9500	19
Washington, D.C.	5850 c	Jersey City	9500	13
Omaha	5830	St. Louis	9450	15
Philadelphia	5800	Toledo	9400	14
St. Paul	5800	Akron	9375	
Milwaukee	5772	Cleveland	9329	17
Columbus	5700	Omaha	9328	15
St. Louis	5670	Philadelphia	9300	11
Des Moines	5620	PORTLAND (31st) ..	9275	15
Denver	5600	Milwaukee	9247	
Kansas City	5550	Pittsburgh	9200	11
PORTLAND (34th)	5550	Kansas City	9180	15
Cleveland	5504	Syracuse	9060	13
Toledo	5500	Seattle	8685	12
Wichita	5450	Providence	8375	11
Providence	5400	Wichita	8270	13
75%ile	6004	75%ile	10013	
Median	5900	Median	9584	
25%ile	5685	25%ile	9314	

b—BA + 30 Approved Credit Hours

c—1964 schedule

L—Longevity

*In Portland, and in most other systems, the number of "Steps" refers to the number of years of teaching experience required to qualify for the maximum salary on the schedule.

APPENDIX D

1966-67 MAXIMUM TEACHER SALARIES

Long Beach	\$13010	Doctorate
San Jose	12805	Doctorate
San Francisco	12170	BA + 60
San Diego	12105	BA + 72
Los Angeles	12050	Doctorate
New York	11825	Doctorate
Rochester	11628	Doctorate
Newark	11500	6 years
Minneapolis	11400	Doctorate
Oakland	11217	6 years
Indianapolis	11100	Doctorate
Detroit	11000	Doctorate
Baltimore	10800	MA + 34
Denver	10670	Doctorate
St. Paul	10600	Doctorate
Chicago	10550	Doctorate
St. Louis	10530	Doctorate
Philadelphia	10400	Doctorate
Omaha	10388	Doctorate
Boston	10300	Doctorate
Des Moines	10230	MA + 30
Seattle	10160	Doctorate
Syracuse	10120	Doctorate
Milwaukee	10119	MA + 64
Pittsburgh	10100	Doctorate
Buffalo	10075	MA + 30
Washington, D.C.	10050	MA + 30
Toledo	9700	MA + 30
Dayton	9700	MA
Columbus	9700	MA + 30
Kansas City	9680	Doctorate
Cleveland	9629	MA Longevity
Akron	9625	Doctorate
Cincinnati	9575	MA
Jersey City	9500	MA
Wichita	9445	Doctorate
PORTLAND (37th)	9275	MA
Providence	8375	MA

APPENDIX E

1966-67 PORTLAND-METROPOLITAN AREA SALARY COMPARISONS

Chart for Bachelor Degree Teachers

BEGINNING Salary	3-year Salary	6-year Salary	9-year Salary	MAXIMUM Salary
Portland	5350	Portland	West Linn	Portland
Beaverton	5300	Beaverton	Portland	Gresham Gr.
David Douglas	5252	Milwaukie UHS	Milwaukie UHS	Beaverton
Gresham UHS	5200	Oregon City	Parkrose	Oregon City
Gresham Gr.	5200	Hillsboro UHS	West Linn	Reynolds
Hillsboro UHS	5200	Milwaukie Gr.	Milwaukie Gr.	West Linn
Hillsboro Gr.	5200	Gresham UHS	Gresham UHS	Parkrose
Milwaukie UHS	5200	Gresham Gr.	Oregon City	Milwaukie Gr.
Oregon City	5200	Parkrose	Beaverton	Gresham UHS
Parkrose	5200	Reynolds	Hillsboro UHS	David Douglas
Reynolds	5200	Hillsboro Gr.	Tigard	Milwaukie UHS
Milwaukie Gr.	5100	Tigard	Lake Oswego	Tigard
Tigard	5100	David Douglas	Hillsboro Gr.	Hillsboro Gr.
Lake Oswego	5000	Lake Oswego	Reynolds	Lake Oswego
West Linn	5000	West Linn	David Douglas	Hillsboro UHS

APPENDIX F
1966-67 PORTLAND-METROPOLITAN AREA SALARY COMPARISONS

Chart for Master's Degree

[illegible]

CHART FOR MASTERS + 45 Approved Credit Hours of Study

Beaverton	6095	Beaverton	6583	Beaverton	7315	West Linn	8200	West Linn	10,000
Oregon City	5902	Milwaukie Gr.	6375	Milwaukie Gr.	7140	David Douglas	8052	Beaverton	9755
Milwaukie Gr.	5865	Oregon City	6370	Hillsboro UHS	7072	Beaverton	8047	Milwaukie UHS	9470
Hillsboro Gr.	5800	Hillsboro Gr.	6200	Oregon City	7072	Milwaukie Gr.	7905	David Douglas	9452
West Linn	5600	West Linn	* 6000	Hillsboro Gr.	*	Hillsboro UHS	7852	Milwaukie Gr.	9435
				West Linn	6900	Oregon City	7774	Hillsboro UHS	9412
					7000	Lake Oswego	7755	Oregon City	9412
							*	Lake Oswego	9388
								Hillsboro Gr.	8900

Reynolds Doctorate—7750 (6 yr.), 8500 (9 yr.), 10,000 (Maximum)

APPENDIX G
PROPOSED: 1967-68 COMPARISON OF SALARY ADOPTIONS
Chart for Bachelor Degree

BEGINNING Salary	3-year Salary	6-year Salary	9-year Salary	MAXIMUM Salary
West Linn	6000	West Linn	West Linn	West Linn
Tigard**	6000	6600	7860	Portland
Albany UHS	5900	Milwaukie UHS	Milwaukie El.	Eugene
Portland	5900	6380	7192	Gresham #4
Springfield	5850	6372	7175	Tigard**
Salem	5802	Milwaukie El.	Milwaukie El.	Salem
Eugene	5800	Milwaukie UHS	Oregon City	Oregon City
Gresham UHS	5800	Oregon City	Eugene	Beaverton
Gresham #4	5800	Albany UHS	Portland	(Portland 66-67)
Klamath Co.	5800	Lake Oswego	Klamath Co.	Lebanon
Lake Oswego	5800	6300	7076	8584
Lebanon	5800	6264	7062	Corvallis
Milwaukie El.	5800	Eugene	Salem	8525
Milwaukie UHS	5800	Lake Oswego	Klamath Co.	Albany UHS
Oregon City	5800	Lebanon	Eugene	Lake Oswego
Parkrose	5800	Salem	Portland	8468
Reynolds	5750	Reynolds	Lebanon	Parkrose
Beaverton	5700	Portland	Gresham UHS	Klamath Co.
Corvallis	5700	Beaverton	Parkrose	8300
*David Douglas	5652	Gresham UHS	Reynolds	Reynolds
(Portland 66-67)	5350	Parkrose	Beaverton	Milwaukie El.
		6100	(Portland 66-67)	8275
		6100	7524	David Douglas
		6000	7300	Milwaukie UHS
		5913	7200	8130
		(Portland 66-67)	7191	Gresham UHS
		5750	8000	Springfield
		5750	7400	

*Proposed by Board

**Proposed by Teachers

(Portland) Indicates Portland 1966-67 Schedule

Portland Indicates Portland Proposed 1967-68 Schedule

(Note: Most above salary schedules could depend on passage of special school district levies.)

